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## BOOK REVIEWS AND NOTICES

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*The Economic Synthesis.* By ACHILLE LORIA. Translated from the Italian by M. EDEN PAUL. New York: Macmillan, 1914. 8vo, pp. xii+368. \$3.00.

Professor Loria is known to English and American readers chiefly through the new classic, *Economic Foundations of Society*, which for its rigorous exploitation of the materialistic conception of history is scarcely equaled by the socialist economics of Karl Marx himself.

The English translation of the present volume introduces Professor Loria as the author of an ingenious system of economic theory. Having scanned the whole round of the world's history and economic thought, the author here offers to economic science a synthesis of the more or less incongruous and ephemeral theories which at various stages in the development of society have been accepted as principles governing the eternal struggle of mankind for self-preservation. The question of life is first and last a question of livelihood, and the question of livelihood in turn may be resolved into the problem of *income*. The present volume is precisely an endeavor on the part of the author to point the way to an understanding and a solution of this problem.

Though considerably abridged to meet the requirements of the publishers, the translation is well done, with the possible exception of certain passages which, after all, serve for literary effect rather than for purposes of exposition. The second part of chap. vi, which in the original appears as chap. vii, together with chap. viii, is entirely lacking in the translation. These and a few other less noteworthy omissions constitute the abridgments, but they are not of such a nature as to interfere seriously with the development of the fundamental theoretical formulations of the text.

In his wide historical researches Professor Loria finds that all social evolution and changes in economic orders are to be referred to agricultural conditions as determined by the density of population. In the original state of society it is assumed that population was sparse and land superabundant, and that therefore the laborer working with his scant supply of capital led an isolated, economically independent existence, his labor yielding him a certain margin beyond subsistence. Presently, however, the inevitable increase in numbers encroaches upon the

product of the laborer and threatens not only the surplus above subsistence but subsistence itself. To avert the impending calamity it becomes necessary to increase production. This can be done only by recourse to co-operation or division of labor. But, according to Professor Loria, man naturally (instinctively) is averse to association and must be driven to it by external force. This end is easily encompassed by the more sagacious individuals who have accumulated a surplus and are thus able to coerce their economically weaker neighbors to collaborate in the processes of production. As population increases and the inexorable law of diminishing returns comes into play, increasingly more laborers lose their economic independence and are less and less able to resist the coercive influences of their more fortunate fellow-beings. The economic order, in this manner established, yields a product which in the aggregate is in excess of that produced under the system of isolated labor. This surplus, which is the amount above subsistence and the expenses of production, in general, is what Professor Loria calls *income* and which comes to be the coveted prize in the later struggle. These points are covered at some length and with scrupulous logic in the earlier chapters of the book.

The chapters that follow are taken up with a detailed analysis of the various forms, degrees, and magnitudes of income as it appears at the different stages in the development of society in its economic aspect. However, a point is reached in the evolution of the productive processes at which coercive association of labor operates to the prejudice of any further realization of a net product (income). The reason for this untoward conjuncture is that, while co-operation makes for increased production, the element of coercion in the case acts in contravention to this tendency and undermines the productive capacity of the laborer and defeats the very purpose of coercive association. This phenomenon, according to the author, is purely a matter of human psychology and cannot be avoided. For instance, the low productivity of slave labor is to be accounted for in this way. In the face, therefore, of the persistent menace of an increase in numbers, the system of coercive co-operation must give place to a new and a more efficient (productive) economic order. The new economic system which, in the speculation of the author, is calculated to meet the needs of the situation is production by *voluntary* association of labor with free access to land. This transition from coercive to free association, which forms the subject-matter of the concluding chapter of the book, is the consummation of the unfolding process of the economic life of society which had its rise in simple, isolated economy.

The laws of income throughout the changing orders of society, in the light of this analysis, are revealed in the one element of association of labor, the incomes varying in form and character according to the mode of association predominating at the time. Accordingly, the problems of economic science have to do with methods of production rather than of distribution (cf. conclusion).

In so far as it is a question of fundamental postulates or distribution of emphasis, Professor Loria's system is in accord with the theoretical deliverances of the classical masters in the science of economics. What distinguishes *The Economic Synthesis* from the work of these men is the introduction of such concepts as "coercion" in association, "struggle between incomes," "revolution of incomes," etc., all of which in effect serve the same purpose as the traditional categories of "exploitation of labor," "class struggle," "increasing misery," "cataclysm," etc., in the hands of orthodox Marxists at the present day.

The close kinship between Professor Loria's economic system and that of Karl Marx appears in clearer outline when viewed in the light of methodology. As with Marx, so with Professor Loria, the method of speculation and construction of theory is that of Hegelian metaphysics, according to which evolution is conceived of as purely a logical process. This method of thinking translated in modern phraseology is the conception of an inevitable (immanent), inherent process of unfolding—a scheme of development which is the result, not of external motivation, but of forces inherent in the economic and social phenomena themselves. In the Hegelian terminology it is an inward struggle of the genius of the universe toward reality or perfection.

This system of thinking has for its point of departure the human reason. History is accordingly conceived of as a logical process—a *reasonable* unfolding of the economic life of society. All is resolved into reason and all is deduced from reason. After the various factors in history are reviewed and their relationship determined, it will be discovered that economic evolution is an expression of the internal development of reason. Following the lead of Hegelian dialectic with unswerving consistency, Professor Loria's conception of economic evolution admits of but three stages—isolated economy, coercive association, and freely associated labor. Similar to the thesis, antithesis, and synthesis in the Hegelian classification, they are all-inclusive. The first and the second stages form the parenthesis which includes all possible extremes of economic orders. The third and final stage is the realization of a harmonious and perfect order.

It must not be understood that the Hegelian metaphysics which guides the author through his long and wearisome search for *the law* of economic laws precludes the use of historical data. On the contrary, the facts of history are looked into first and united by a formula suggested by the facts. But the facts are interpreted in the light of the theory which itself purports to be deduced from them. In other words, the appeal to the oracle of history brings forth merely a prescribed response. That is to say, in the economic system of Professor Loria, on the assumption that the classical postulates of rent and population are true, the records of history are probed for the facts that may be made to fit the theory in hand. Presumably this is equivalent to a substantiation of the theory. So, from beginning to end, notwithstanding the author's avowed respect for a genetic study of the productive processes in the course of social evolution, his conception of the development of society in its economic aspect is pre-eminently that of a logical process. Logically, rather than as a matter of brute causation, every step in this unfolding process is but a point of transition. The *logic* of the situation prevents any one system of production from establishing a separate existence without immediately becoming useless for the purpose in view. The scheme begins to disintegrate when the highest point in its development is reached. Social evolution, therefore, involves a process of incessant decay. But this decay is not annihilation, for the order which has to surrender its separate existence still remains as an important link in the chain of evolution which comes to rest only when the perfect and harmonious stage is reached. That is to say, according to Professor Loria's theory, economic evolution ends with the scheme of free association and free access to land.

The conclusion suggested by the foregoing characterization is that the method of speculation employed by the author involves the transformation of a whole range of facts into a tissue of logical relations. All this theorizing about ultimate ends and aims, this concept of finality and final causes, has, of course, nothing to do with the trend of modern scientific thought, which, being cast in the mold of Darwinism, conceives of evolution as a matter-of-fact causation. Apparently, the author of *The Economic Synthesis* has remained imperturbed by the modifications which the conception of evolution has undergone within the last half century and especially since the late development of the science of heredity. For Professor Loria, evolution is essentially teleological. "One supreme purpose through the ages runs."

Tested by the standards of the modern scientific point of view, *The*

*Economic Synthesis* falls short of the requirements of a scientific treatise. In the view of modern science, scientific considerations are confined to indicating the operation of brute causation in the world of facts. Professor Loria's interests move in other directions. Notwithstanding an earlier assertion concerning the transitory character of economic laws and phenomena, he is occupied chiefly in arguing how the social struggle is to end with the advent of a new order of things. Such a proposition as this is, of course, not amenable to scientific argument. It must be left to an abiding faith in the "Providence that shapes our ends." In social evolution there is no warrant for the assumption of an automatic interplay of natural forces. Still less is there any justification for the notion of absolute necessity in the succession of the steps in the development of social life.

The principle assumptions in *The Economic Synthesis* stand upon an equally insecure ground. For instance, there seems to be no reasonable warrant, on either historical or ethnological grounds, for the concept of human life in isolation. Whatever may have been the sentiments of primitive man in the matter, in his struggle for subsistence he is never found isolated. As a question of economic expediency life cannot be maintained in isolation. History affords no instance of human life except in groups and communities.<sup>1</sup>

Similarly, the notion of free association which is contingent upon free access to land finds no support in the facts of human endeavor at any period in the history of man. There seems to be no peculiar virtue in free land which must inevitably lead to social peace and economic harmony.<sup>2</sup> This physiocratic insistence on the importance of land as a factor of production overlooks the technological facts in the productive scheme of a given period. Income (production) is not a function, solely or even primarily, of the supply of land, but rather it is a function of the state of the industrial arts. Questions of production and distribution are mainly questions of ways and means for compassing certain material ends—problems of technology. The economic importance of any one factor in the life of society depends on the state of the industrial arts. With a change of technology highly useful articles or instruments

<sup>1</sup> Cf. Barrows, *Ethno-Botany of Coahuila Indians*; Basil Thomson, *The Figians*; T. B. Veblen, *The Instinct of Workmanship*.

<sup>2</sup> It may be observed, for instance, that wherever the means of transportation has become an indispensable element in the economic life of modern communities, those in control of the transportation system by effectively controlling the markets are enabled to tap the income from the land without having access to the farms or the mines.

of production may lose their economic significance; for example, the flint quarries upon which the life of the Danish communities once depended were deserted after bronze displaced the flint ax.

Judged by its fundamental hypotheses as well as by its method, *The Economic Synthesis* seems to hold forth scant reassurance to the science with which it deals, though it is the result of a laudable ambition and an amazing erudition. Substantially, it stands as a nicely arranged system of logic constructed by passing through the crucible of Hegelian metaphysics the postulates of physiocratic and English classical economics, tempered by the Marxian categories of "exploitation," "surplus value," and "class struggle."

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*A Short History of English Liberalism.* By W. LYON BLEASE.

New York: Putnam, 1913. 8vo, pp. 374. \$3.50.

The activity of the English Liberal party in recent years has provoked considerable literary output. Winston Churchill, Herbert Samuel, and other leaders have written directly from the firing line; we have L. T. Hobhouse' excellent study in the "Home University Series," as well as a great mass of less distinguished writing inspired by the titanic struggles in which the party has been engaged. Mr. Blease's book, however, is neither a polemic nor an apology. Indeed, incidentally to his task as historian, he performs with some success the ungrateful function of candid friend to the party. As faithfully does he record failures as celebrate victories and triumphs. Students will welcome his history because of its complete fairness and sincerity.

"By Liberalism," he says, "I mean not a policy, but a habit of mind. It is the disposition of the man who looks upon each of his fellows as of equal worth with himself. . . . He assumes as the basis of his activity that he has no right to interfere with any other person's attempts to employ his natural powers in what he conceives to be the best way." Conversely, the positive side of Liberalism leads to "active steps to remove the artificial barriers which impede development."

From this standpoint the author traces the course of Liberalism from the reign of George III to the present, rigorously applying to the intervening statesmen the test of the principle he has set forth. While the method has advantage in focusing attention on the advance of reform, on the whole it is at the cost of clearness. Few public men in the past have subscribed to his complete creed. Few do so today. The result